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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Dennis A. Leatherman
Chairman of the Board of Directors
Altus Healthcare, Inc.
1180 N. Palm Canyon Dr.
Palm Springs, California 92262

DESIST AND REFRAIN ORDER
(For violations of section 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Dennis A. Leatherman (“Dennis Leatherman”) was Chairman of the Board of Directors of Altus Healthcare, Inc., a Nevada corporation.
2. Beginning in or about March 2004, Dennis A. Leatherman, Altus Healthcare, Inc., and by and through its agents, offered or sold securities in the form of units that are comprised of common stock and preferred shares issued by Altus Healthcare Inc., a Nevada corporation.
3. By means of going to the offices of physicians, podiatrists, and other medical personnel, Dennis A. Leatherman and/or officers, employees, or agents of Altus Healthcare, Inc. offered to sell or sold units or shares or stock. The private placement memorandum stated that 10,000 units were being offered at \$500 per unit with the investor receiving 100 common shares and 1 preferred stock for each unit sold.
4. The purported purpose of the offering of these securities was to raise funds as working capital for Altus Healthcare, Inc.’s intended facility in Indio, California, and to build a medical facility.

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1 5. In connection with these offers or sales, Dennis A. Leatherman, Altus Healthcare, Inc., and its
2 officers, employees, or agents, omitted material facts in connection with the offers or sales of
3 securities to prospective investors in that:

4 a. The private placement memorandum failed to disclose that Dennis Leatherman had
5 filed a bankruptcy and been discharged from his debts in 1994;

6 b. Although the private placement memorandum described Dennis Leatherman as
7 “highly successful in the startup, planning and implementation [sic] of medical and healthcare
8 facilities throughout California for over 30 years”, there was no disclosure to prospective investors or
9 investors that Dennis Leatherman had been named the defendant in multiple lawsuits, some of them
10 connected to his medical business, including, but not limited to:

- 11 i. *Prudential Financial Consulting Services v. Leatherman, et al.*, Case No.
12 C90019519-8 (1990)
- 13 ii. *Travelers Acceptance Corporation v. Security Medi-Card, Inc.*, Leatherman, et
14 al., Case No. 654976 (1992)
- 15 iii. *People v. Leatherman, et al.*, Case No. BC 093701 (1993)
- 16 iv. *Travelers Acceptance Corp. v. Leatherman, et al.*, Case No. 0509173 (1994)
- 17 v. *Nork v. Leatherman, et al.*, Case No. C94007867-5 (1994)
- 18 vi. *Chavez v. Leatherman, et al.*, Case No. 0509159 1994
- 19 vii. *Johncox v. Leatherman, et al.*, Case No. 0569075 (1996)
- 20 viii. *Fresno Sussex Common Area Association v. Leatherman, et al.*, Case No.
21 S96905165-7 (1996)
- 22 ix. *Fresno Sussex Common Area Association v. Leatherman, et al.*, Case No.
23 S96906482-5 (1996)
- 24 x. *Hawkins v. Leatherman, et al.*, Case No. S96902463-9 (1996)

25 c. In addition, Dennis Leatherman, Altus Healthcare, Inc., and its officers, employees, or
26 agents, failed to disclose to prospective investors or investors that the 1996 court judgment against
27 Dennis Leatherman in *Johncox v. Leatherman* has not been satisfied.
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